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**CY 2011**

# **Outpatient Itemized Billing (OIB) Rate Package Release, Field Update, June 2011**

TMA UBO Program Support  
13 June 2011 @ 1400 - 1500 EDT  
14 June 2011 @ 0800 - 0900 EDT

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# Agenda

- OIB Overview
- General Methodology
- CMAC/CMAC Component Rates
- Other OIB Rates
- MEPRS Based Rates
- Mapping Table Updates



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# OIB Overview

- TMA UBO develops rates for each outpatient encounter, service, procedure, or supply provided within a MTF
  - Rates are billed as a line-item charge
- TMA UBO CHAMPUS Maximum Allowable Charge (CMAC) rates are developed for reimbursement in the purchased care community
  - Not comprehensive (not all CPT/HCPCS codes are in the file)
  - May not represent the actual cost of the resources consumed
  - May not be applicable to care furnished in an MTF setting



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# OIB Overview

- Itemized charges are based on the CMAC fee schedule and other government furnished rate tables.
  - The majority of outpatient encounters are based on CMAC rates.
- For rates not CMAC driven, Medical Expense Program Reporting System (MEPRS) data is used to calculate the average MTF operation expenses for:
  - Ambulance, Ambulatory Procedure Visit, Dental, Government discounts and Immunization-specific rates



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# General OIB Rate Methodology

- Gather inputs for rate calculations
- Data Pulls and Analysis
  - Calculate average costs for MEPRS-based rates
  - Apply calculations to appropriate rate tables
- TRICARE data downloads
  - Perform Rate Calculations (CMAC, Non-CMAC and CMP)
- Develop rate mapping tables
- Deliverables for Review and Testing
  - Internal QA & Testing
  - Forward to TMA UBO, TPOCS and CHCS
- TMA UBO approval and Policy Letter development
- Publication and Distribution



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# OIB Components

- CMAC & CMAC Component Rate Tables
  - Other (APV, Observation, ER)
- Ambulance
- Anesthesia
- Dental
- Durable Medical Equipment/ Supplies (DME/DMS)
- Immunization/Injectables
- IMET/IOR Government Discounts
- Mapping Tables (DMIS ID, Revenue, TPOCS, Modifier)



# CMAC Rates – Overview

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## Primary Rate Table – CMAC and CMAC Component

- 91 CMAC localities
- CMAC locality '300' – TMA UBO specific and used for the national average of CONUS facilities
- CMAC locality '391' – TMA UBO specific and used for OCONUS facilities
- Codes set to \$0.00 (not available for separate reimbursement)
  - Includes telephone consults/assessments
- Applied reasonable charge for 41 codes that required specialty handling
  - Including ED Rates, Observation, Moderate Sedation and Hyperbaric Medicine
- **4.5% overall average percent increase from CY2010 to CY2011**



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# CMAC Component

The Component rate table specifies the technical (TC) and professional (PC) components and/or the combined technical and professional service for CPT codes.

- Added technical charges for codes that CMAC did not provide rates for
  - Not available for separate reimbursement
- In general
  - PC charges are provided by TMA CMAC
  - TC charges are mapped to appropriate APC
  - Computed global rates is obtained by combining TC and PC rates





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# Emergency Department Rates

**Emergency Department (ED)** Evaluation &  
Management Codes (99281-99285) have CMAC rates  
that are billed using only the institutional charge

- Mapped the five ED codes to appropriate TRICARE APC
- Mapped to the UB 04 billing form
- Due to system limitations and electronic billing requirements (e.g., 837i and 837p), the professional portion of an ED encounter is not billed
  - CHCS can not accommodate multiple rates for the same CPT/HCPCS code



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# CMAC ED Rates

| CPT Code | APC | 2010 Rate | 2011 Rate | % Difference |
|----------|-----|-----------|-----------|--------------|
| 99281    | 609 | \$53.16   | \$51.77   | (2.61) %     |
| 99282    | 613 | \$87.85   | \$87.25   | (0.68) %     |
| 99283    | 614 | \$140.10  | \$139.14  | (0.69) %     |
| 99284    | 615 | \$223.10  | \$222.58  | (0.23) %     |
| 99285    | 616 | \$327.70  | \$329.54  | 0.56 %       |



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# Other OIB Rates

- Anesthesia
- Durable Medical Equipment/Supplies (DME/DMS)
- Immunization
- Observation



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# Anesthesia

- Implemented new methodology using the TRICARE Anesthesia Reimbursement Formula
  - (Time Units + Base Units) X National Average Conversion Factor

What  
you will  
see

A flat rate assigned to each anesthesia procedure

| CPT Code | Rate      | Short Descriptor             | Long Descriptor   |
|----------|-----------|------------------------------|---|
| 01444    | \$ 524.18 | ANESTH, KNEE ARTERY REPAIR   | ANES POPLIT. EXCISION & GRAFT OR REP. OCCLUSION OR ANEURYSM |
| 01638    | \$ 457.45 | ANESTH, SHOULDER REPLACEMENT | ANESTHESIA FOR TOTAL SHOULDER REPLACEMENT                   |



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# DME/DMS Rates

**DME/DMS** --- expenses allocated for equipment and supplies on hand

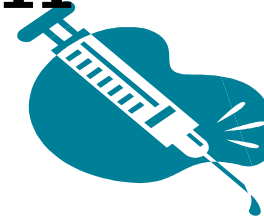
- Used CMS December 2010 DMEPOS Fee Schedule --- “floor rate”
- Removed secondary modifiers to adhere to CHCS and TPOCS file specifications
- Added 253 codes
  - Identified 239 codes that were not in the existing CMS downloadable rate file
  - Added 14 new DME codes
- Used purchased care data to develop rates for 233 existing DME/DMS procedures with a rate of \$0.00 and/or not included in the existing table.



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# Immunization



**Immunization** --- separate charges are made for each immunization, injection or medication administered





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# Observation Rates

| CPT/HCPS Code | 2011 OBS Rate (per day charge) |
|---------------|--------------------------------|
| 99218         | \$64.22                        |
| 99219         | \$107.37                       |
| 99220         | \$150.18                       |
| 99224         | \$27.86                        |
| 99225         | \$49.27                        |
| 99226         | \$73.73                        |
| G0378         | \$54.53                        |
| G0379         | \$ 0.00 (Direct Admit)         |

- Implemented approved methodology based on CMS Observation Payment Factor
  - Ability to capture both institutional and professional components
  - Captures the number of hours a patient is in Observation
    - OBS can only occur in the ED or nursing unit
  - Professional Component Calculation: CMS Payment divided by the average DoD hours a patient is in the OBS unit
    - DoD Average OBS encounter = 13.1 hours



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# MEPRS-Based Rates

- Ambulance
- Ambulatory Procedure Visit (APV)
- Dental
- Immunization-specific
- IOR/IMET (Government Discount %)





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# MEPRS-Based Rates

## Computation and Burdening Factors

|               | <u>2010</u> | <u>2011</u> |
|---------------|-------------|-------------|
| Asset Use     | 4.40%       | 4.40%       |
| GSUR Costs    | 9.90%       | 9.90%       |
| Military Pay  | 3.40%       | 1.40%       |
| Civilian Pay  | 2.00%       | 0.00%       |
| 'DMDC' Factor | \$10        | \$12*       |
| DHP Growth    | 12.06%      | (2.44)%     |

\*DMDC number calculated by averaging the factor from the last two years



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# MEPRS-Based Rates

**Ambulance** charges are based on units of service,  
in 15-minute increments

**Cost to Be Recovered = MEPRS Full Rate x Time**

|      | <b>'10 rate</b> | <b>'11 rate</b> | <b>% change</b> |
|------|-----------------|-----------------|-----------------|
| FOR: | \$ 227.00       | \$ 219.00       | (3.52)%         |

\*\*\*Ambulance is billed using A0999 (unlisted code)



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# MEPRS-Based Rates

**Ambulatory Procedure Visits (APVs)** are  
assigned to CPT code 99199

- Flat institutional fee based on the institutional costs of all APVs performed in a designated Ambulatory Procedure Unit (APU) divided by the total number of APVs
- **2011 APV Flat Rate is \$1,963.06**

|      | <b>'10 rate</b> | <b>'11 rate</b> | <b>% change</b> |
|------|-----------------|-----------------|-----------------|
| FOR: | \$ 1,909.96     | \$ 1,963.06     | 2.78%           |



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# MEPRS-Based Rates

**Dental** charges are based on a MEPRS- based flat rate multiplied by a DoD-established weight for the American Dental Association (ADA) code representing the dental service/procedure performed


$$\text{Charge} = \text{Weight} * \text{Rate} \\ (\text{IMET/IOR/FOR})$$

|      | '10 rate | '11 rate | % change |
|------|----------|----------|----------|
| FOR: | \$ 87.00 | \$ 80.00 | (8.05)%  |

\* Used 2009-2010 Dental weights, next update will be 1  
Oct 2011



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# MEPRS-Based Rates

**IMET/IOR rate** - Government adjusted discounts for interagency cost of supplies (IOR) and direct labor for the training programs (IMET)

|       | '10 rate | '11 rate | % change |
|-------|----------|----------|----------|
| IOR:  | 94%      | 94%      | 0%       |
| IMET: |          | 63%      | 61%      |
|       | (3.13)%  |          |          |



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# MEPRS-Based Rates

## Immunization (specific)

- A flat rate developed using MEPRS cost data
  - 2011 MEPRS Based Flat Rate = \$43.00



|      | '10 rate | '11 rate | % change |
|------|----------|----------|----------|
| FOR: | \$ 48.00 | \$ 43.00 | (10.42)% |



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# Mapping Table Updates

- DMIS ID Mapping Table
- Revenue Mapping Table
- TPOCS Mapping Table
- Modifier Mapping Table



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# DMIS ID Mapping Table

**DMIS ID** - Defense Medical Information System

Identifier Table is used to control medical and military facility identification and cost/workload classification.

- 48 New DMIS IDs since 2010 update
  - 20 Out of Cycle Update - October 2010
  - 39 Affects UBO billing (including OCONUS)
- Mapped all OCONUS sites to “391”
- Mapped 5400 series to locality “000”
  - Civilian institutions that bills a facility fee; MHS does not have the capability to bill separate outpatient professional fees
- Facility type changes
  - CLNC to INACTIVE; ADMIN to CLNC; ‘xxx’ to INACTIVE





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# Revenue Mapping Table

**Revenue Mapping Table** identifies the CPT/HCPCS procedure, supply, drug code, description and available revenue centers.

- Added/deleted/revised and provided proper revenue code designation for all active codes
- Used 510 (clinic) revenue code as default
  - In the case where no revenue centers were indicated
- Incorporated Service specific requests – re-sequencing revenue centers



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# TPOCS Mapping Table

**TPOCS Mapping Table** identifies the CPT/HCPCS procedure, supply, drug code, and description with appropriate modifiers.

- Includes additional information as needed to process a claim
- Specifically designed for the TPOCS billing environment
- Updated code series
  - Added / Deleted codes
  - Enhance existing code ranges
- Verified all mapping to appropriate tables
- Added/Updated/Deleted applicable modifiers



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# Modifier Mapping Table

**Modifier Mapping Table** identifies the CPT/HCPCS procedure, supply, drug code, and description with appropriate modifiers.

- Includes mapping to appropriate OIB table
- Determines which modifiers are appended to which code ranges
  
- Updated code series and verified mapping
- Modifiers
  - Added/Updated applicable modifiers
  - Deleted obsolete modifiers
- Compared TPOCS and Modifier Mapping Tables for accuracy
- January 1 - **New Release Date**



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# ELECTIVE COSMETIC PROCEDUR ES





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# Cosmetic Procedure Rates

- Please visit the TMA UBO website for more information on Elective Cosmetic Procedures Performed in the Military Health System:  
[http://www.tricare.mil/ocfo/mcfs/ubo/mhs\\_rates/cs.cfm](http://www.tricare.mil/ocfo/mcfs/ubo/mhs_rates/cs.cfm)
- A Webinar training featuring the 2011 Elective Cosmetic Procedure Rates and changes to the Cosmetic Surgery Estimator (CSE) will be held on the **21 June at 0800 EDT and 23 June at 1400 EDT**. For more information regarding the webinar training, please visit the TMA UBO website:  
[http://www.tricare.mil/ocfo/mcfs/ubo/learning\\_center/training.cfm](http://www.tricare.mil/ocfo/mcfs/ubo/learning_center/training.cfm)



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# Effective Date

CY 2011 OIB Rate Package in  
conjunction with Cosmetic  
Procedure Rates are scheduled to  
be effective **1 July 2011.**



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# Contact Information

Please contact the UBO Helpdesk if you have any questions or concerns at (703) 575-5385 or [UBO.helpdesk@altarum.org](mailto:UBO.helpdesk@altarum.org).